

For far too long, the United States government has been less than transparent in releasing information relating to its gold holdings. Not surprisingly, this secrecy has given rise to a number of theories about the gold at Fort Knox and other depositories. Some people speculate that the gold has been involved in gold swaps with foreign governments or bullion banks, others believe that the gold has secretly been shipped out of Fort Knox and sold, and still others believe that the bars at Fort Knox are actually gold-plated tungsten. Historically, the Treasury and Mint have dismissed these theories, rather than addressing these concerns with substantive rebuttals. No one from Congress has been allowed to view the gold at Fort Knox in nearly 40 years, recent photographs of the gold holdings seem to be hard to come by, and the Mint's and Inspector General's audit statements contain only the bare minimum of information.

Because the government has for so long refused to provide substantive information on its gold holdings, it is not surprising that so much confusion abounds, both within and without the government. The difference between custody and ownership, questions about responsibility for US gold held at the New York Fed, and the issue of which division at Treasury is ultimately responsible for the gold reserves are just some of the questions that have come up during the research for this hearing. In a way, it seems as though someone decided to lock up the gold, put the key in a desk somewhere, and walk off without telling anyone anything. Only during the preparation for this hearing was my office informed that the Mint has in fact conducted assays of statistically representative samples of gold bars, and we were provided with a sample assay report. This type of information should be reported or at least tabulated and published, so that the public knows how many bars of gold exist, what their fineness is, and whether they are encumbered in any way through loans, swaps, etc.

While the various agencies concerned have been very accommodating to my staff in attempting to shed some light on this issue, it should not require the introduction of legislation or a Congressional hearing to gain access to this information. This information should be published and available to the American people. This gold belongs to the people, especially since much of it was forcibly taken from them in the 1930s, and the government owes it to the people to provide them with the details of these holdings. We would greatly benefit from a full, accurate inventory, audit, and assay, with detailed explanations of who owns the gold and who is responsible for ownership, custody, and auditing. While the Mint and the Inspector General trust the accuracy of the audits performed between 1975 and 1986, this still means that at least two-thirds of the gold reserves were last audited over a quarter century ago. Surely a full audit every 25 years is not too much to ask?

I look forward to the testimony of the witnesses regarding the condition of the gold reserves, the accounting audits that are regularly performed, and the inventories and assays

that have been conducted on some of this gold over the years. I am also very interested to hear their comments on the Gold Reserve Transparency Act so that we may put forward a measure that provides the public with accurate and complete information on their gold.